

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area
Service from the Cokato Exchange to the
Minneapolis/St. Paul Metropolitan Calling
Area

ISSUE DATE: September 13, 2005

DOCKET NO. P-404,407,430,520,405,413,
421, 426,427,573/CP-05-902

ORDER REQUIRING COST STUDIES AND
PROPOSED RATES

PROCEDURAL HISTORY

On June 13, 2005, the Commission received petitions for extended area service (EAS) between the Cokato exchange, served by Sprint Minnesota (Sprint) and the Minneapolis/St. Paul Metropolitan Calling Area (MCA).

On July 27, 2005, Sprint submitted the requested traffic study. The data indicated that over 66 percent of the customers in the Cokato exchange made at least three calls per month to the MCA during the period March 1, 2005 and May 31, 2005.

This matter came before the Commission on September 8, 2005.

FINDINGS AND CONCLUSIONS

1. The Legal Standard

Extended area service is a service arrangement permitting neighboring telephone exchanges to become a single local calling area with toll-free calling. The criteria for establishing EAS routes and the procedures for determining and allocating EAS costs were set by Commission Orders following an industry-wide fact-finding and policymaking proceeding.¹ Briefly, these criteria and procedures are as follows.

- (1) A petitioning exchange must be adjacent to the exchange or local calling area to which it seeks EAS.

¹ *In the Matter of an Investigation into the Appropriate Local Calling Scope, in Accordance with Minn. Stat. 237.161 (1994)*, Docket No. P-999/CI-94-296, ORDER REACTIVATING THE PROCESSING OF EAS PETITIONS (October 24, 1995) and ORDER AFTER RECONSIDERATION (February 23, 1996).

- (2) At least 50 percent of subscribers in the petitioning exchange must make at least three calls per month to the exchange or local calling area to which EAS is sought.
- (3) The companies serving the affected exchanges or local calling areas must determine the cost of installing and operating the proposed EAS route, using Commission-approved costing methods, and file proposed rate additives to recover these costs.
- (4) The Commission must poll subscribers in the petitioning exchange on whether they want EAS at the rates adopted by the Commission.
- (5) If a majority of the subscribers responding to the poll vote yes, the EAS route must be installed.
- (6) If the proposed EAS route is to the metropolitan calling area, the company serving the petitioning exchange must offer its customers local measured service or another lower cost alternative to flat rate EAS.²

II. Commission Action

A. Threshold Findings

The proposed Cokato/MCA EAS route meets the two EAS threshold requirements of adjacency and traffic volume.

First, the Cokato exchange is adjacent to (shares a border with) the Maple Lake exchange, which secured EAS to the MCA in an Order issued by the Commission on August 30, 2000.³ Cokato, therefore, is adjacent to the MCA.

Second, the traffic studies filed by Sprint show that over 66 percent of the customers in the Cokato exchange made at least three calls per month to the MCA during the period March 1, 2005 and May 31, 2005.

² *In the Matter of a Petition for Extended Area Service from the Kilkenny Exchange to the Minneapolis/St. Paul Metropolitan Calling Area*, Docket No. P-404, 407, 520, 405, 413, 421, 426, 427, 430, 573/CP-04-1352, ORDER SETTING EAS RATE ADDITIVES AND REQUIRING POLLING (April 27, 2005) at page 2.

³ *In the Matter of a Petition for Extended Area Service from the Le Sueur Exchange of US West Communications, Inc. to the Minneapolis/St. Paul Metropolitan Calling Area*, Docket No. P-404, 407, 520, 405, 426, 427, 421, 430/CP-96-1047, ORDER CERTIFYING POLLING RESULTS, DIRECTING IMPLEMENTATION AND REQUIRING RATE FILING (April 13, 2000).

B. Further Filings Required

Since the two threshold requirements (adjacency and adequate traffic) have been met in this matter, the Commission will proceed to require cost and rate information necessary to poll Cokato subscribers on whether they want EAS to the MCA.

The Commission will establish a 60 day comment period on the companies' filings, followed by a 20-day reply comment period.

C. Future Processing

When the record is complete, the Commission will establish rates for the proposed routes and poll Cokato subscribers on whether they want EAS at those rates.

ORDER

1. Within 90 days of the service date of the Order, Sprint and the telephone companies serving the MCA (the Affected Telephone Companies) shall file cost studies and proposed rates, with each company proposing rates recovering its own costs of providing EAS. Sprint and the Affected Telephone Companies shall also provide supporting information as requested by the Commission staff and the Minnesota Department of Commerce (the Department).
2. Within 60 days following the filing of cost studies and proposed rates by the Affected Telephone Companies, the Department shall file a report and recommendation regarding the proposed rates.
3. All parties shall have 20 days to respond to the Department's report.
4. The Commission's Executive Secretary is hereby granted authority to vary the above deadlines if he deems necessary.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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